

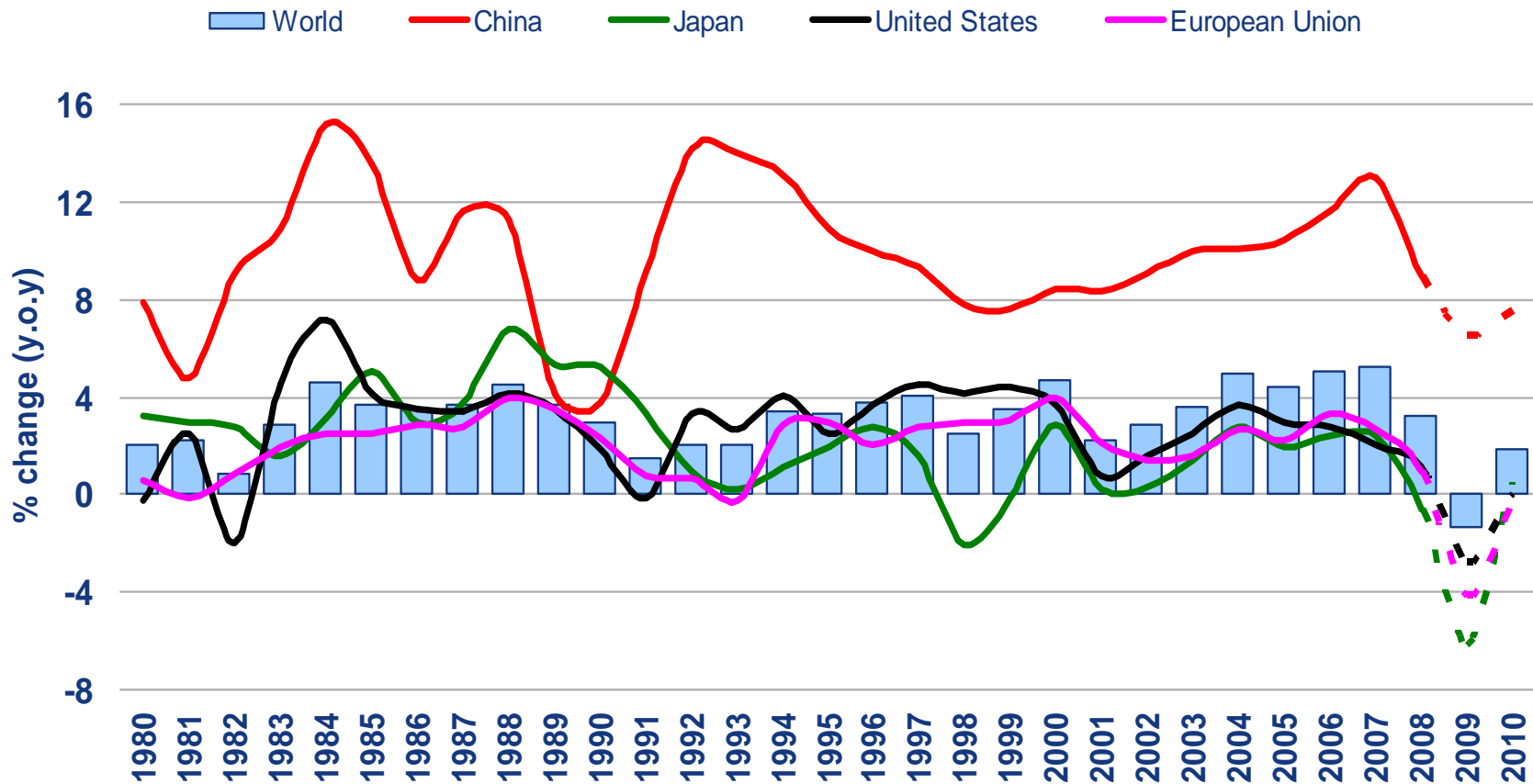


International Shipping Market: Challenges of the Global Downturn

Colin Cridland, Head of Market Analysis
Leipzig, 27 May 2009
www.clarksons.com



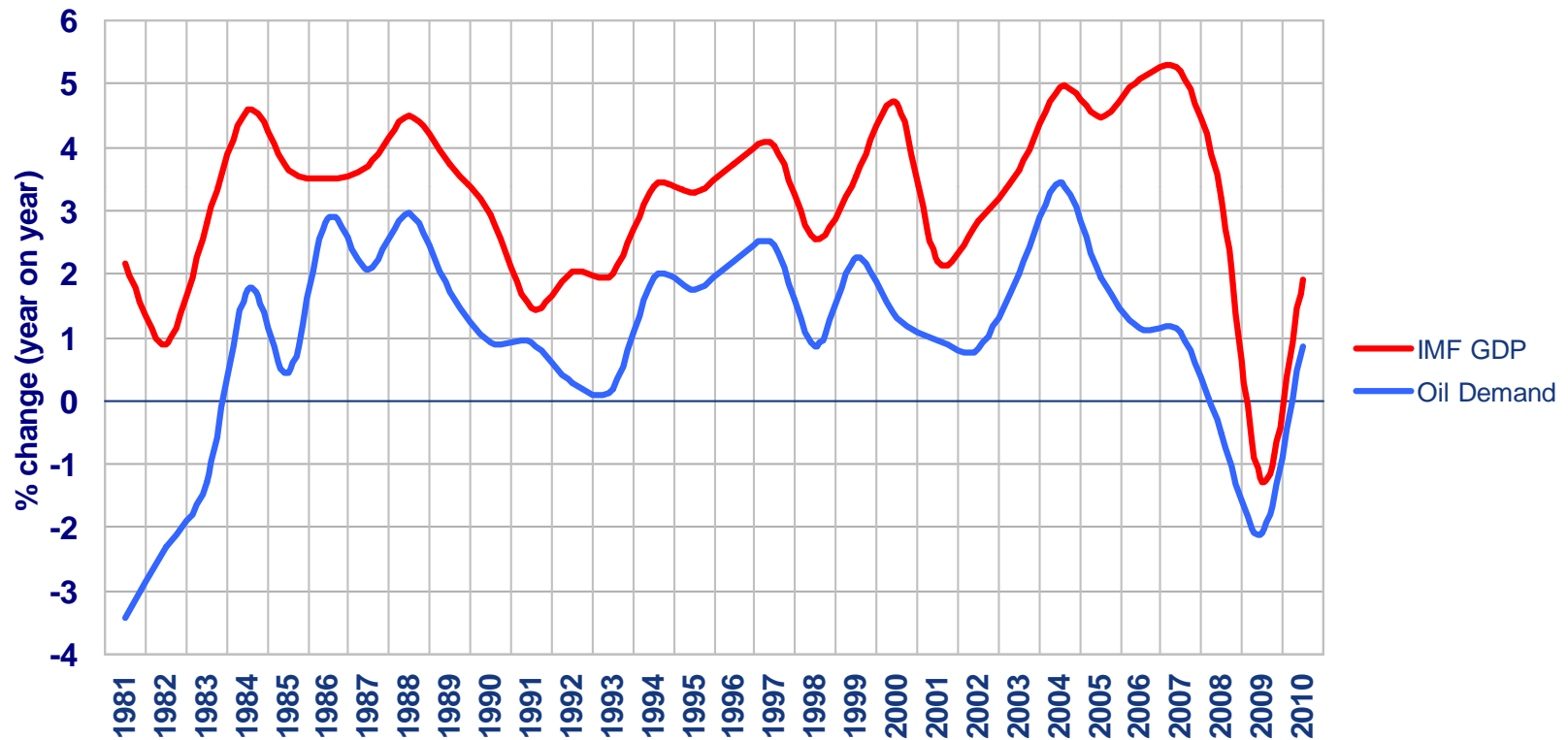
IMF GDP – Worst Case Scenario?



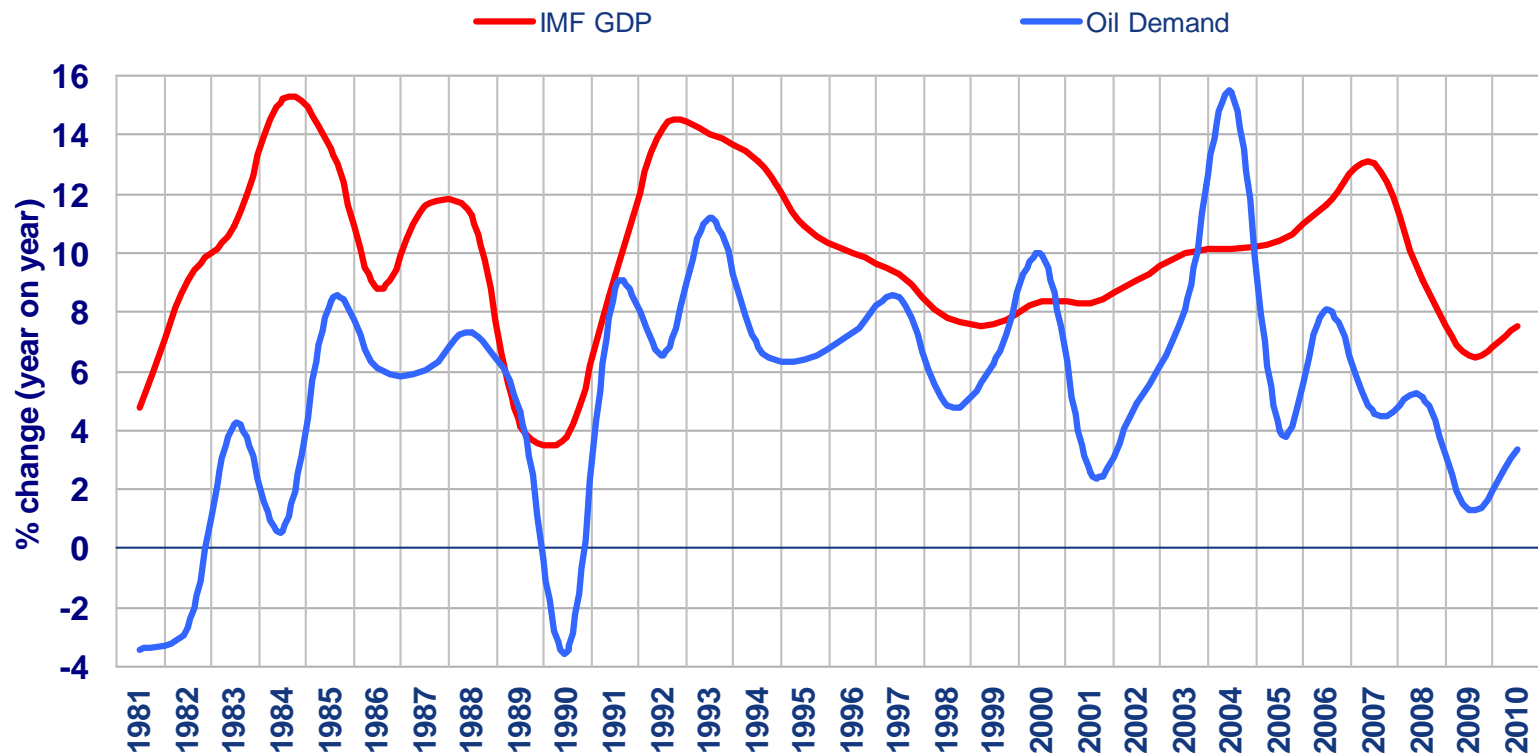


Commodity Demand & Trade

World Oil Demand vs. GDP

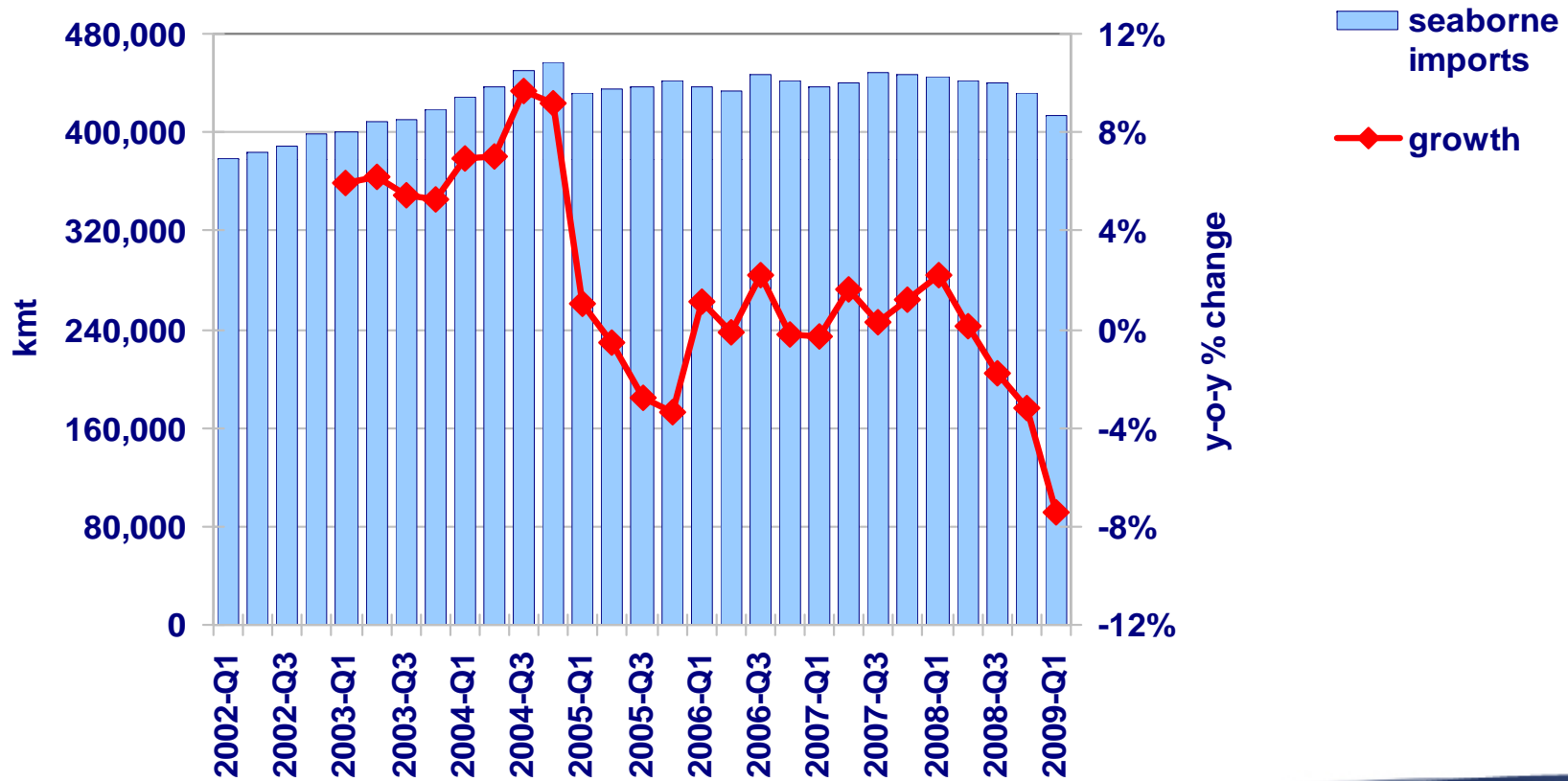


China Oil Demand vs. GDP



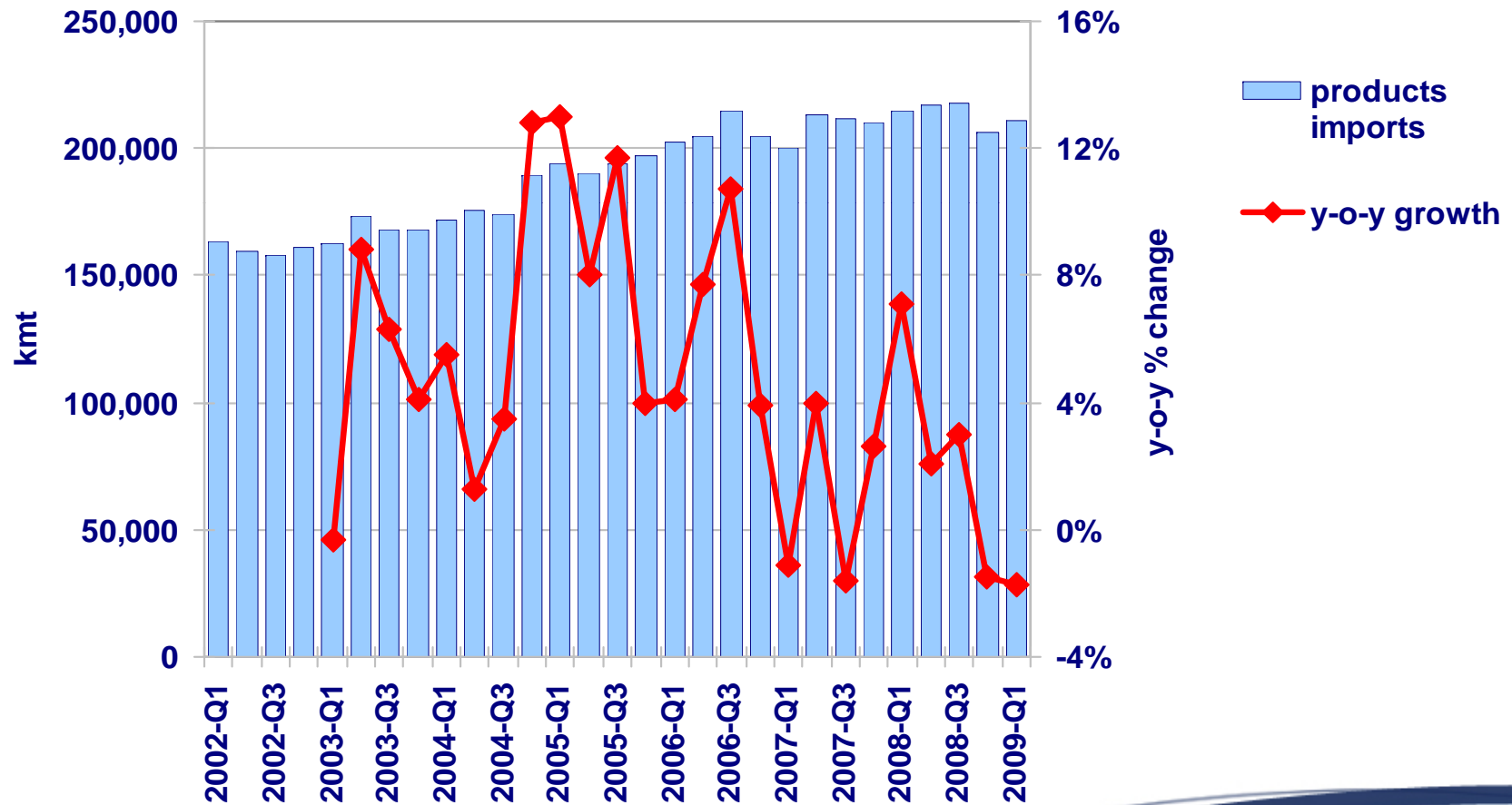


Seaborne Crude Imports

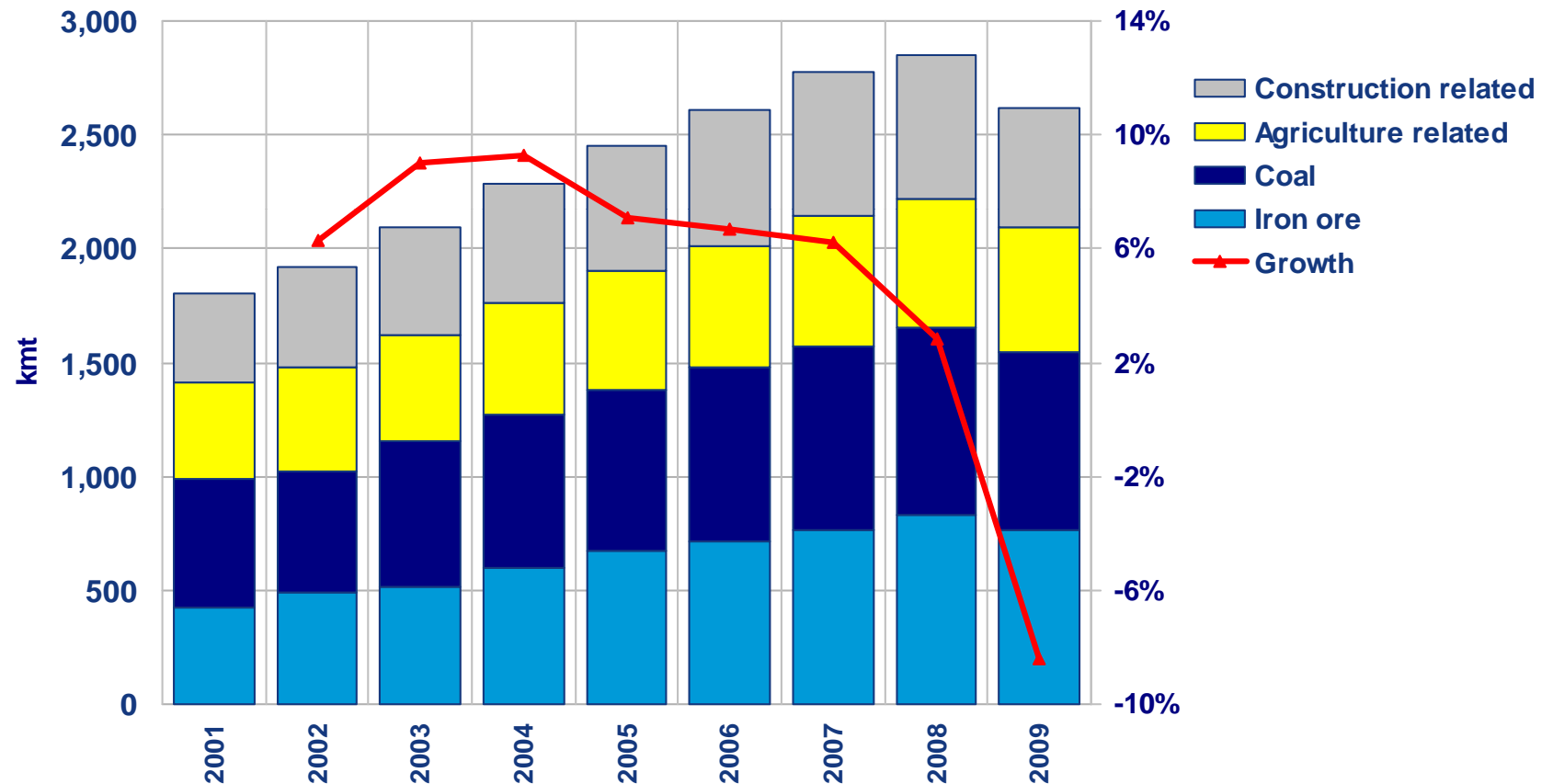




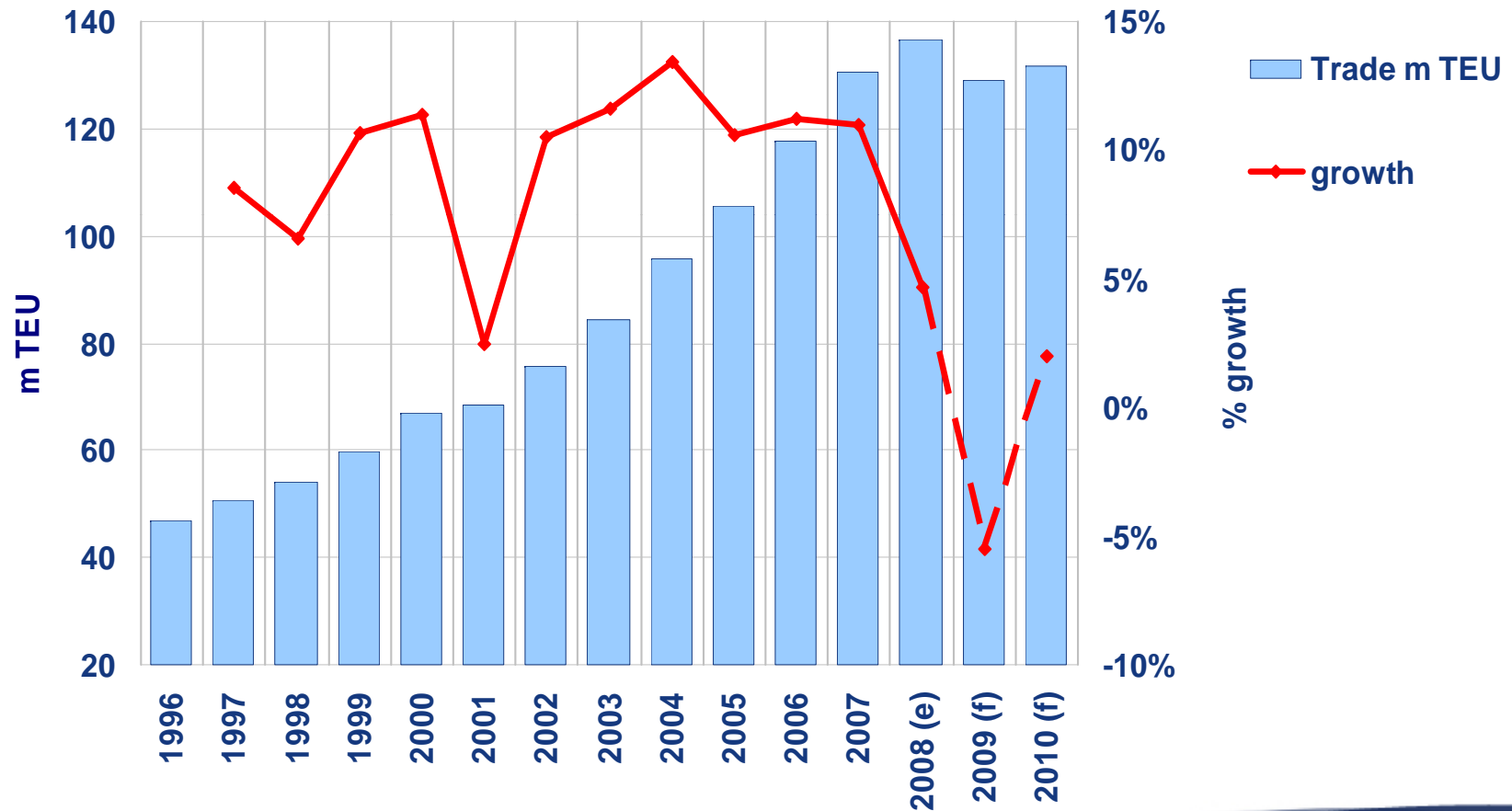
Total Oil Products Imports



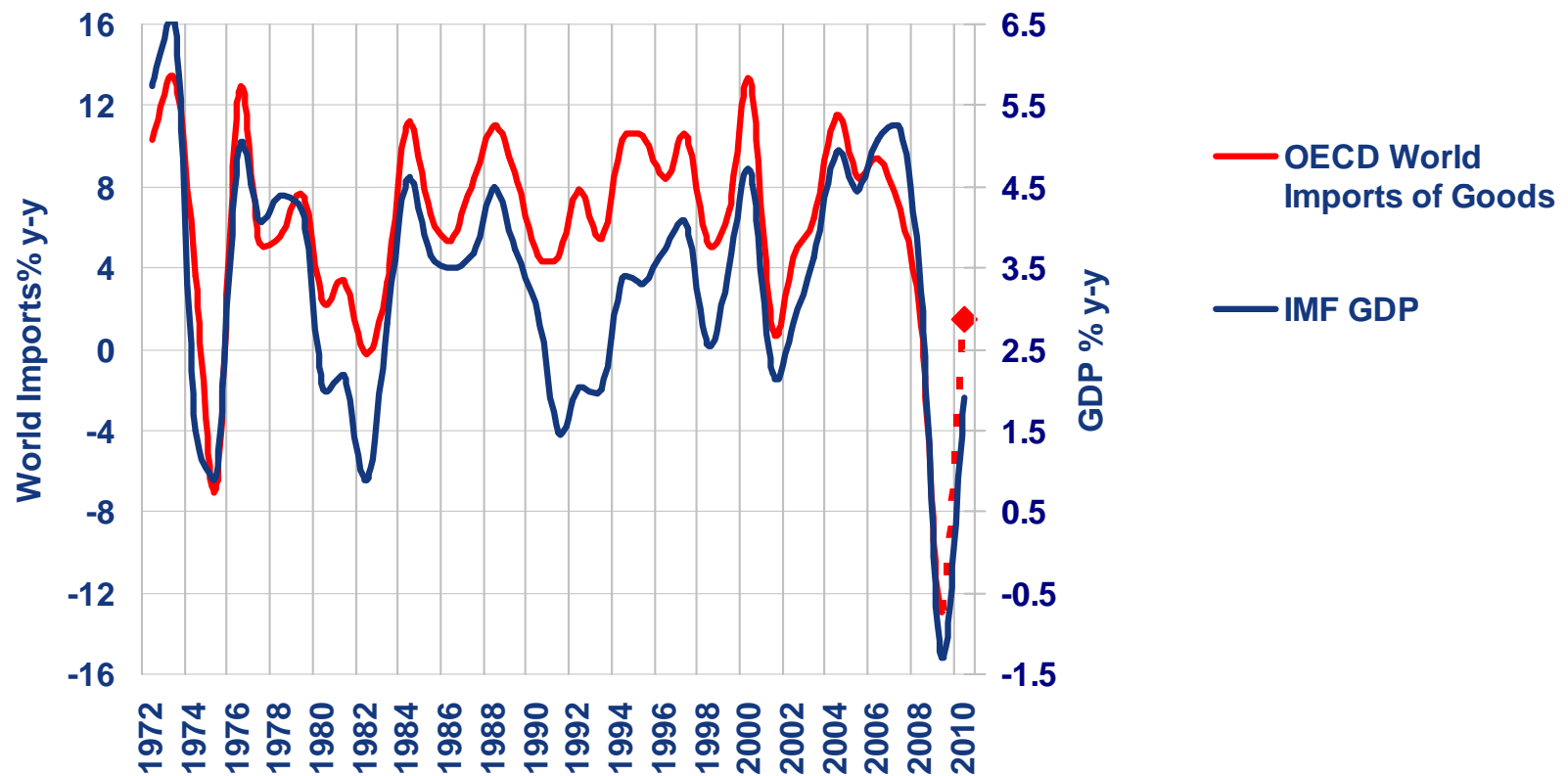
Dry Bulk Seaborne Trade



Global Container Trade



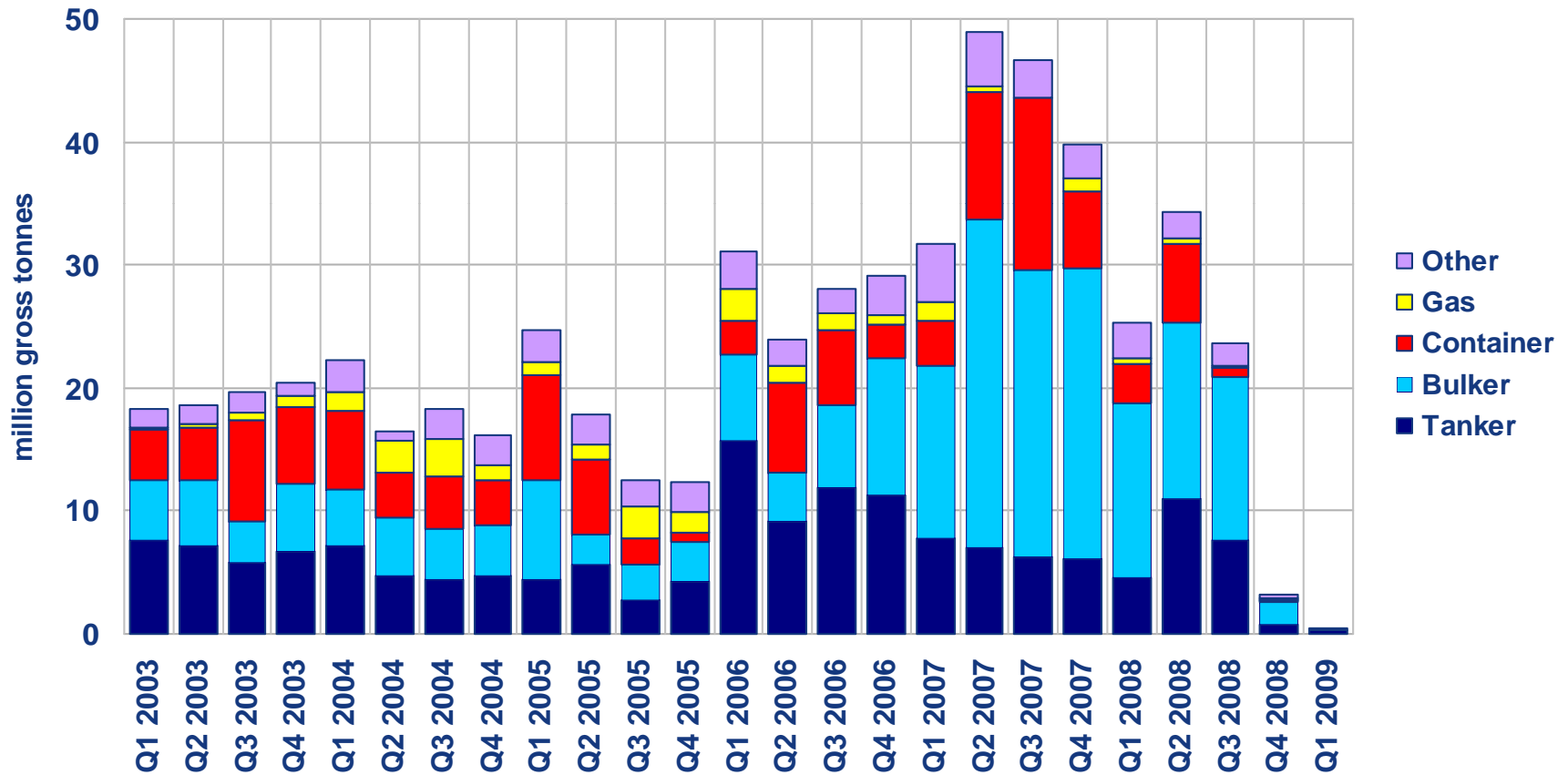
World Trade & GDP



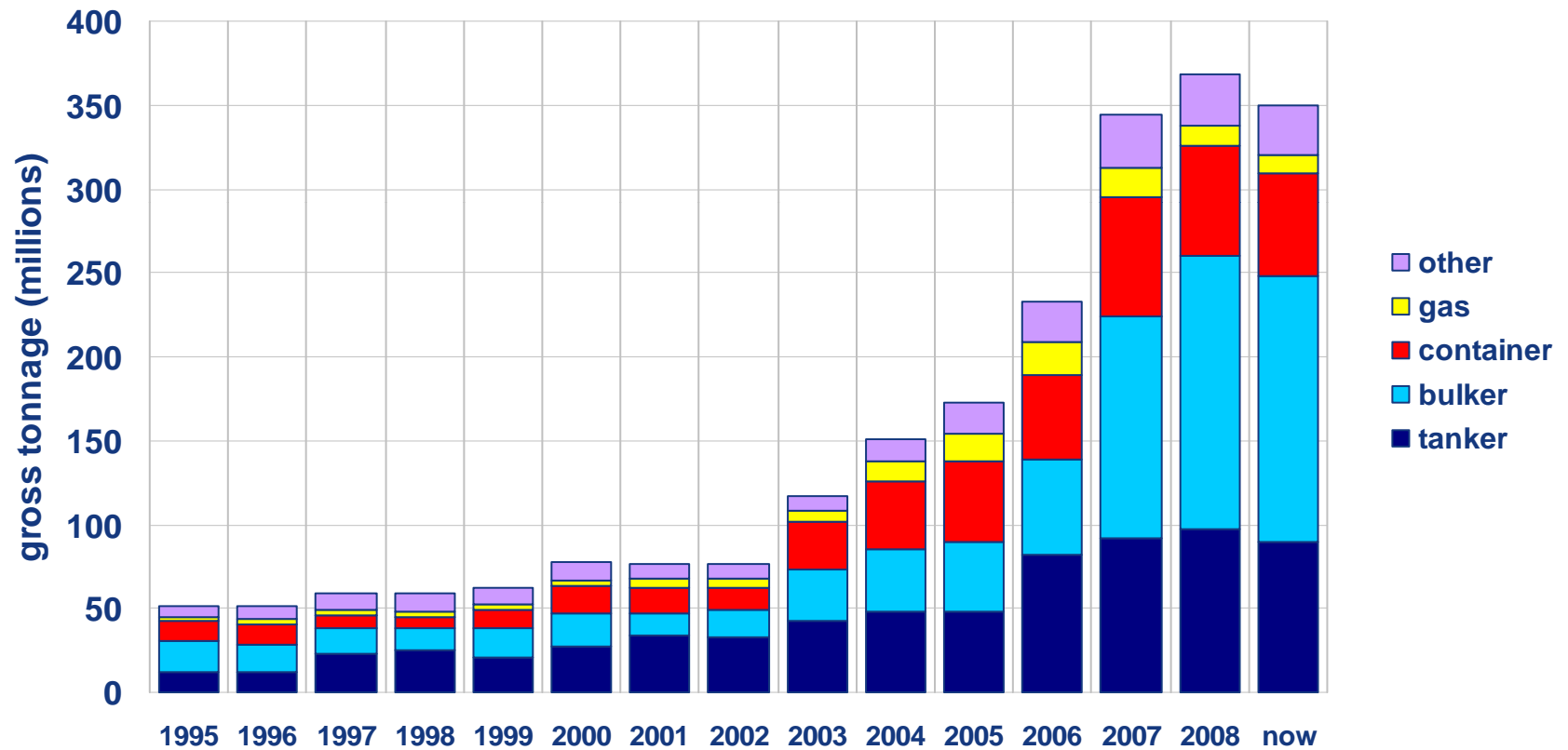


Vessel Supply

Vessel Ordering

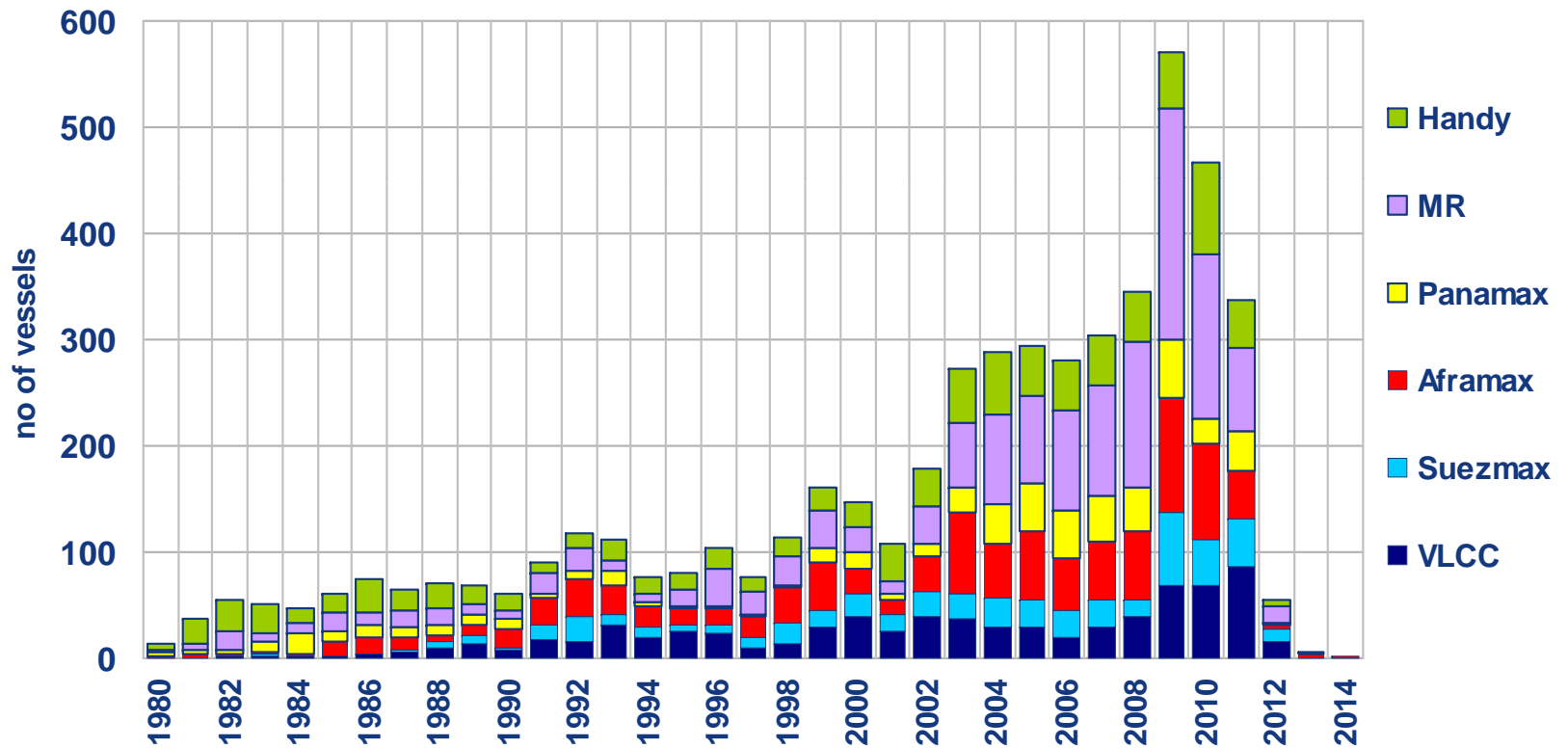


Orderbook Development

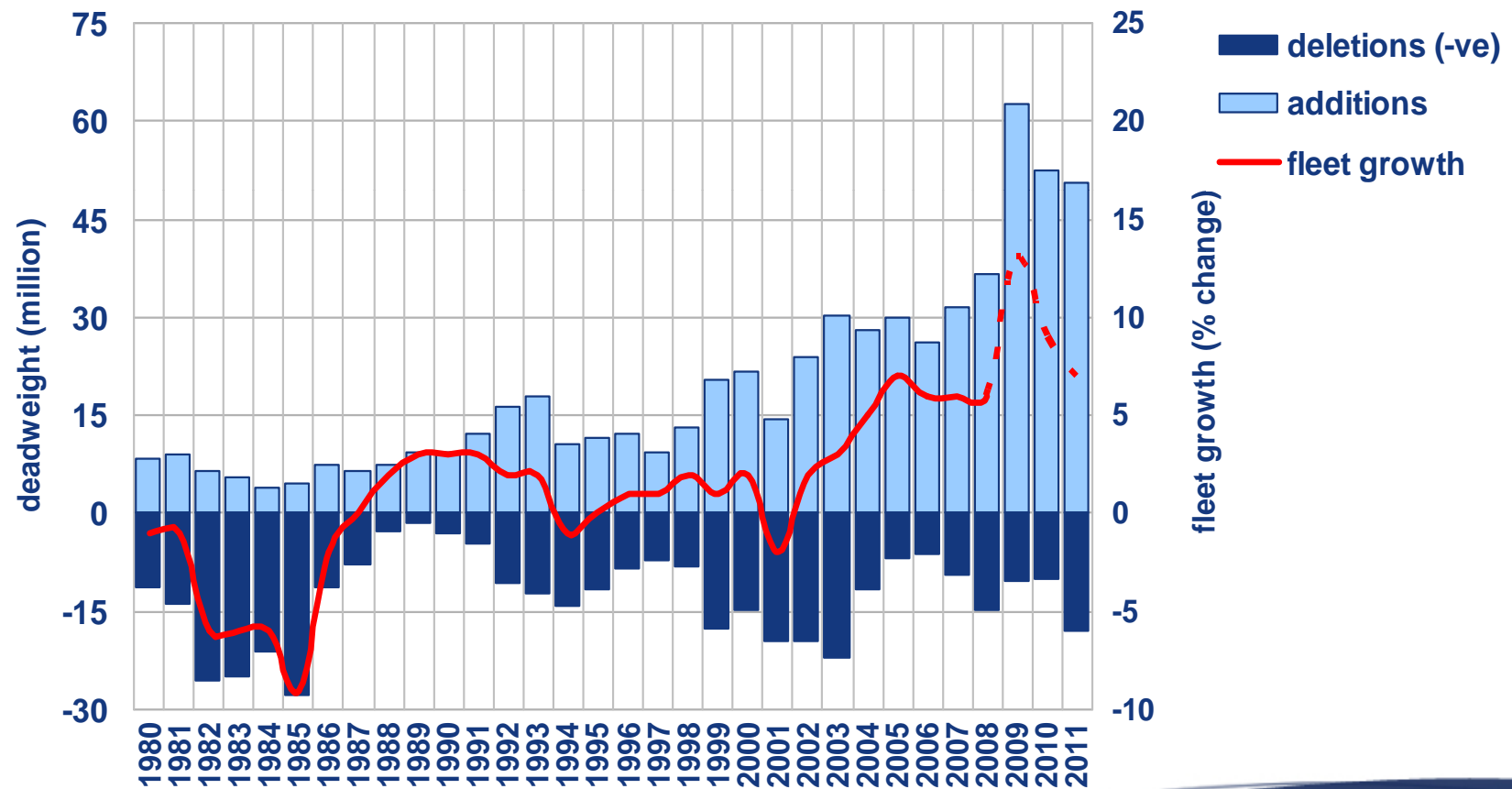




Tanker Age Profile

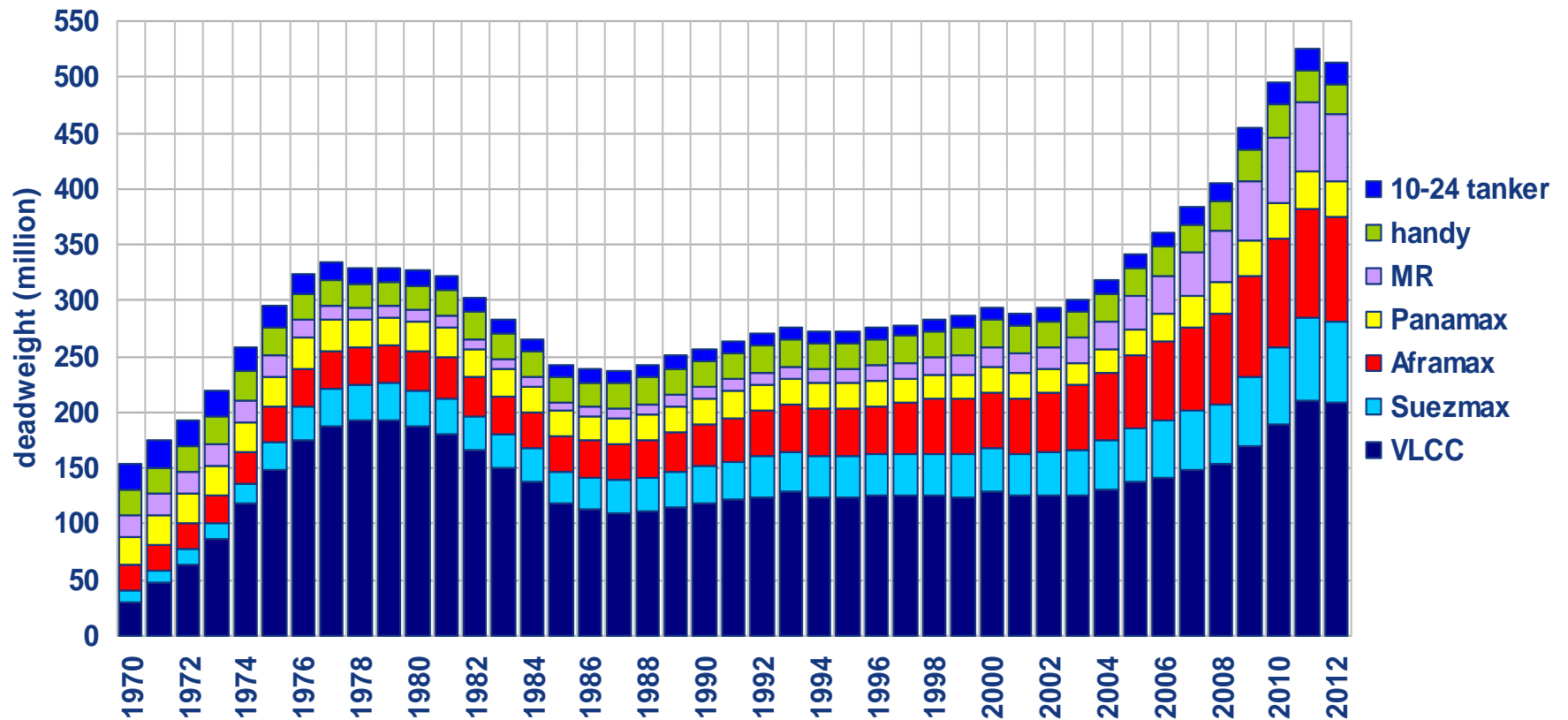


Tanker Fleet Changes

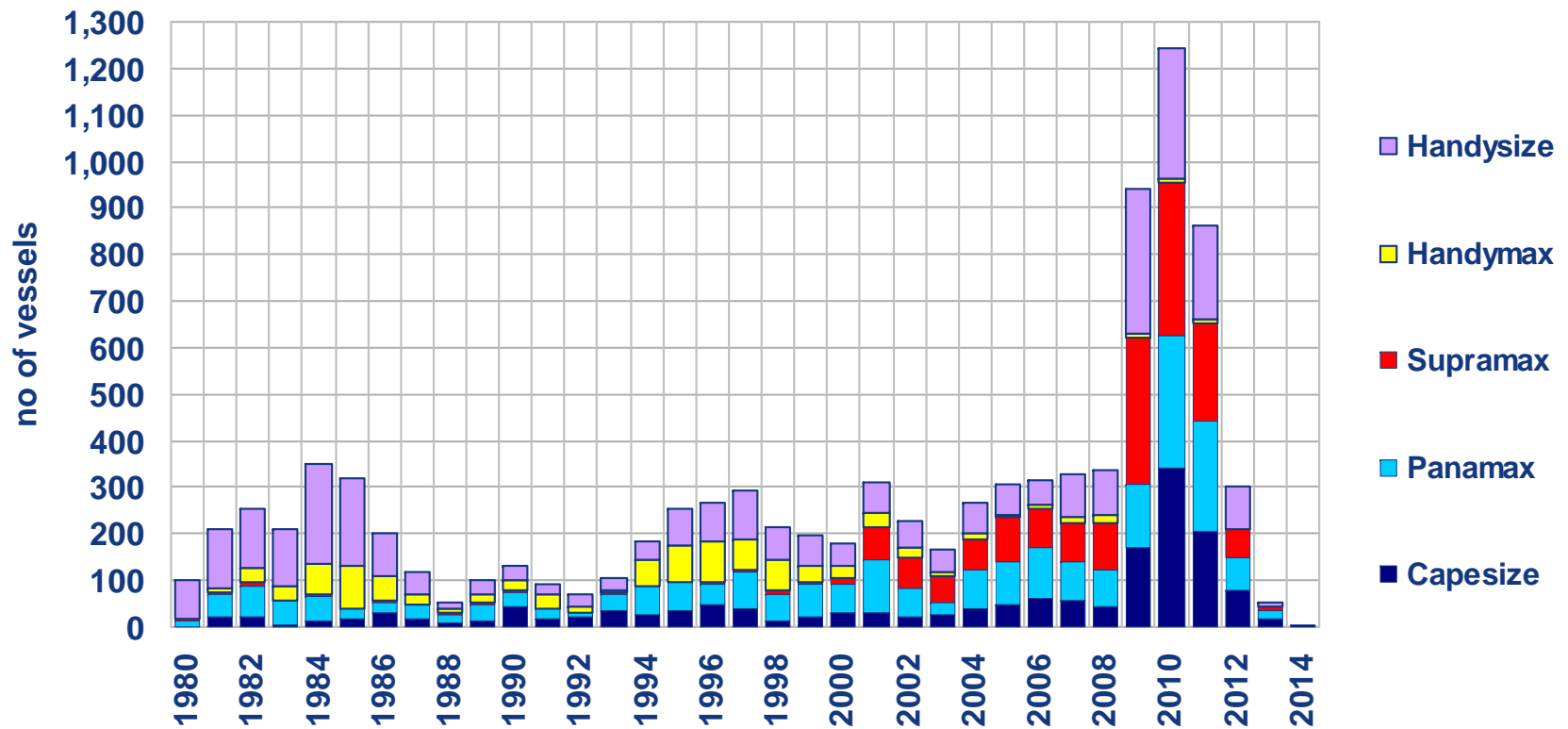




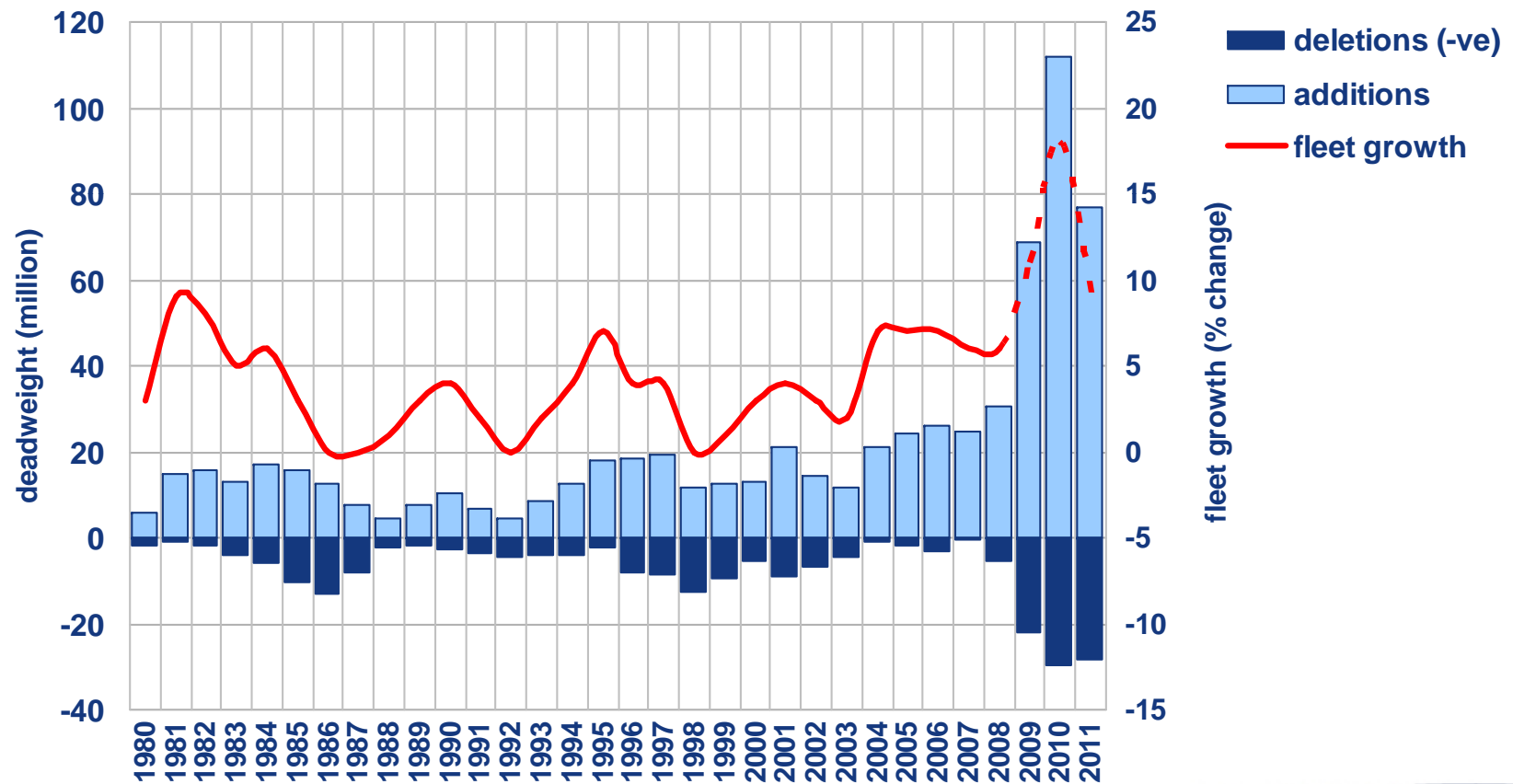
Tanker Fleet Development



Bulker Carrier Age Profile

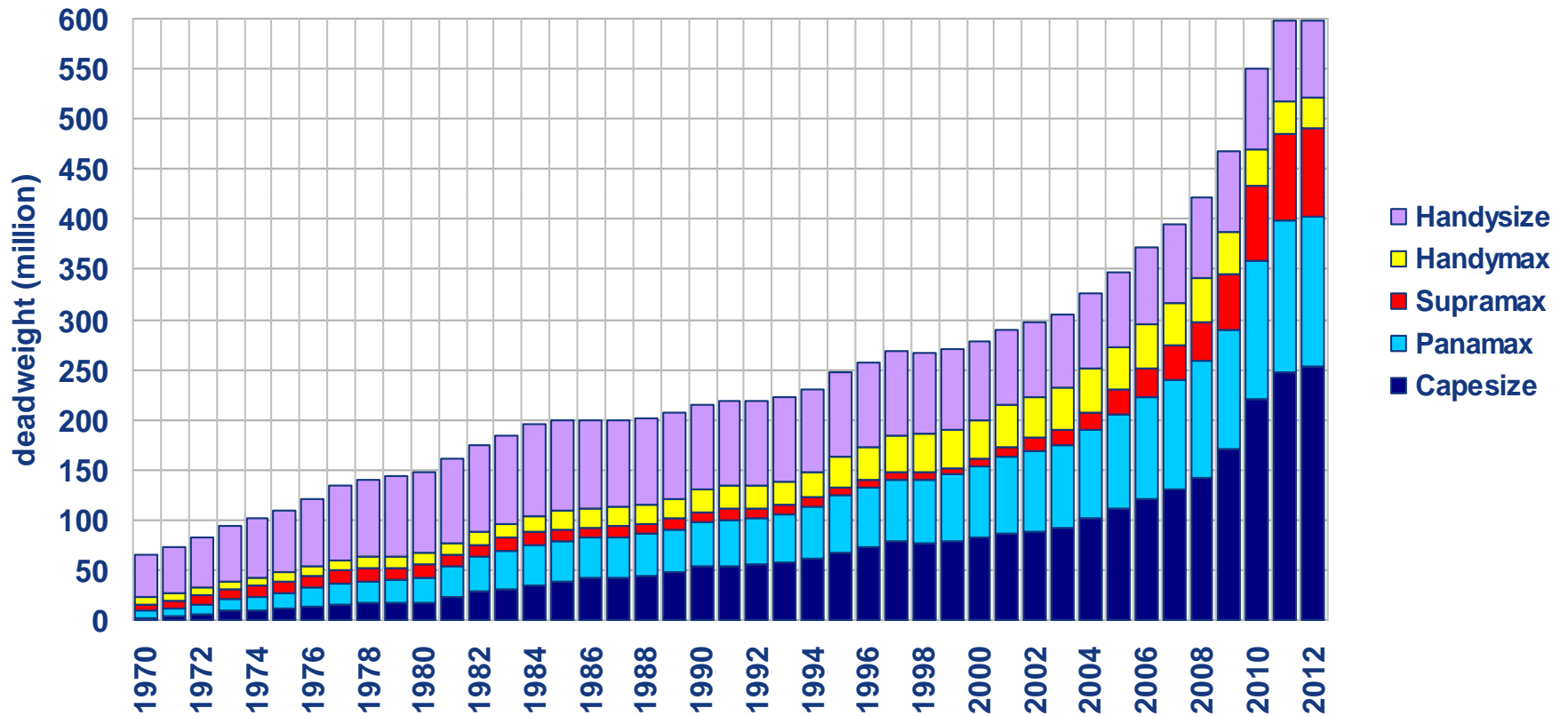


Bulk Carrier Fleet Changes

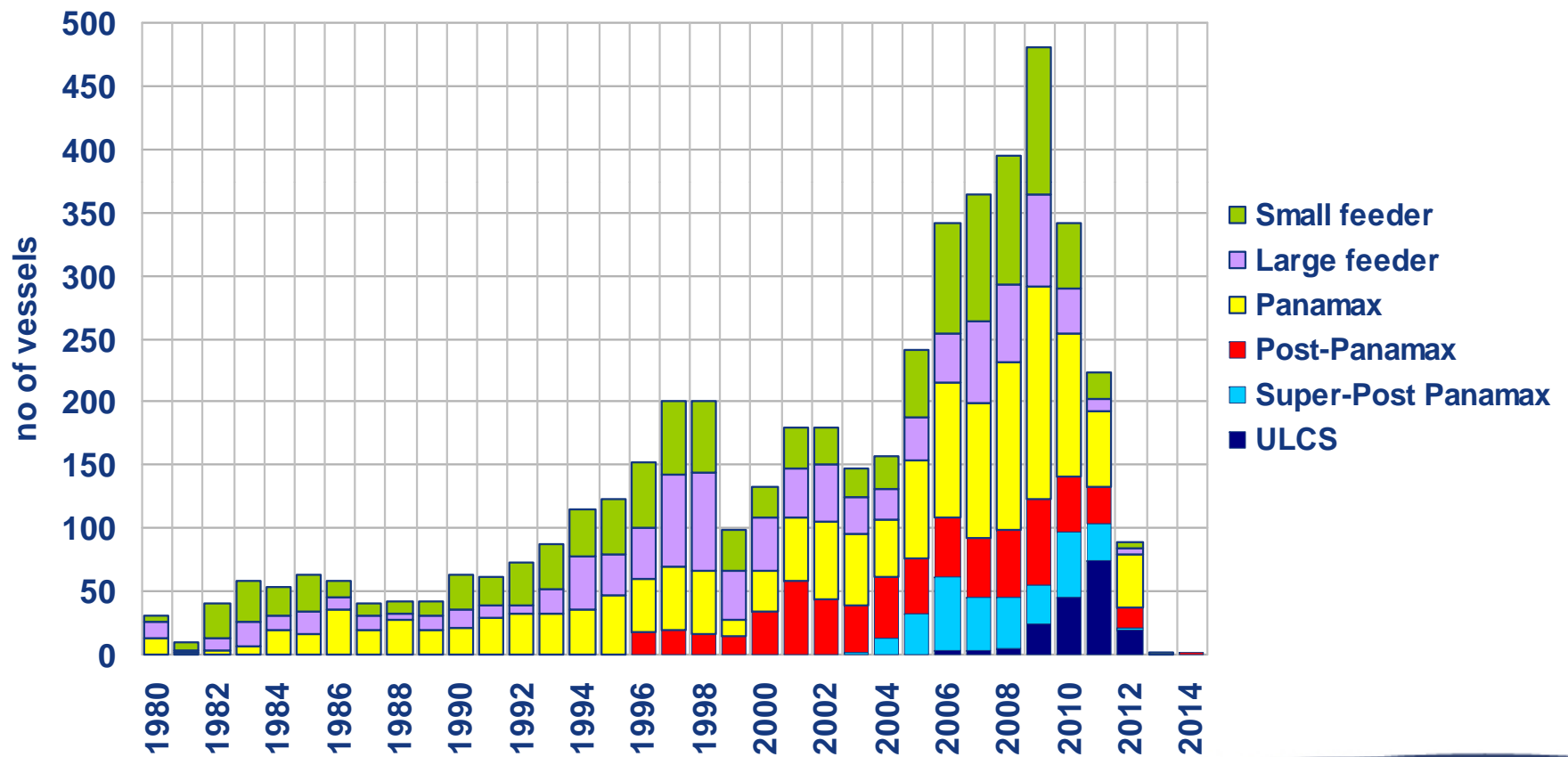




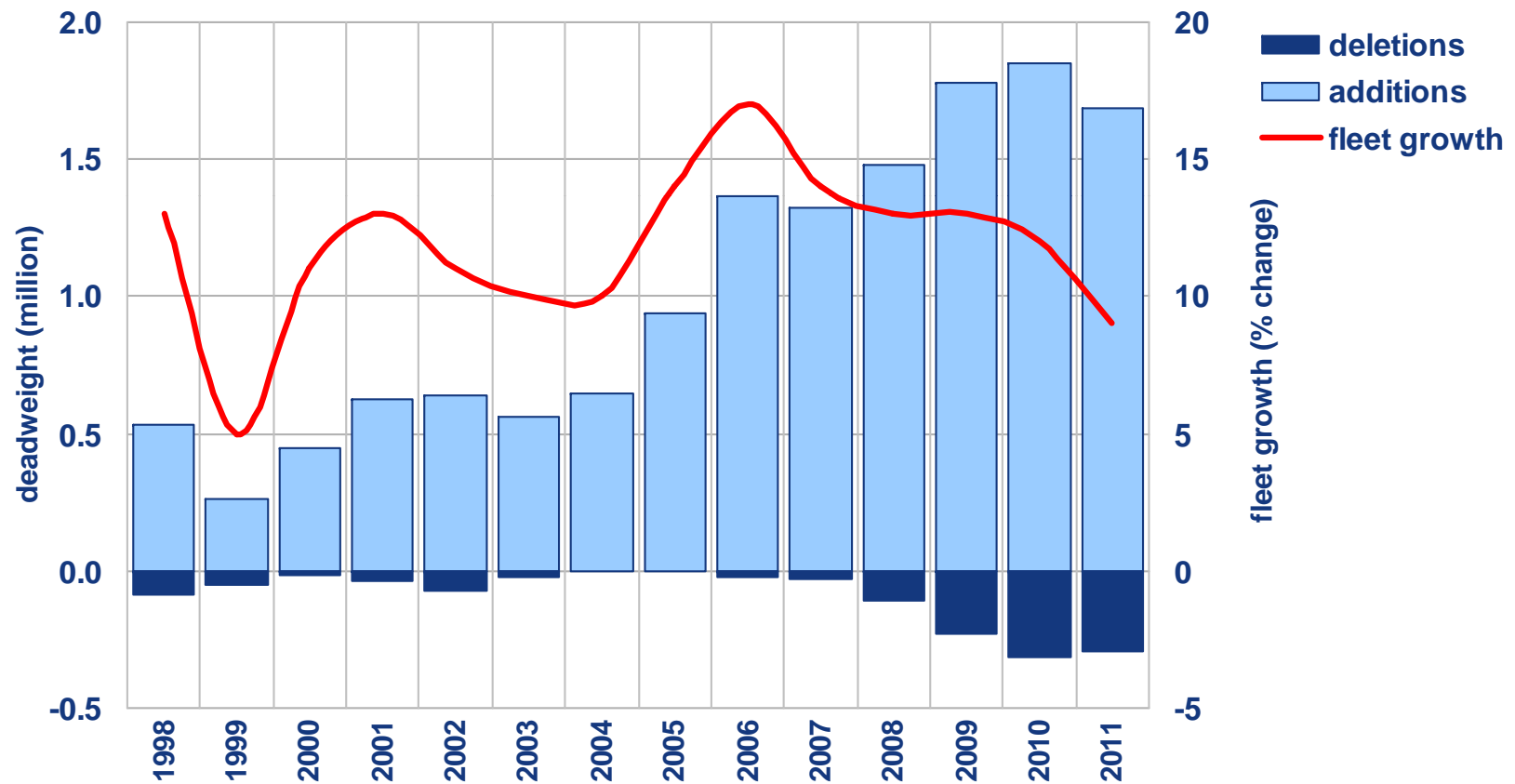
Bulk Carrier Fleet Development



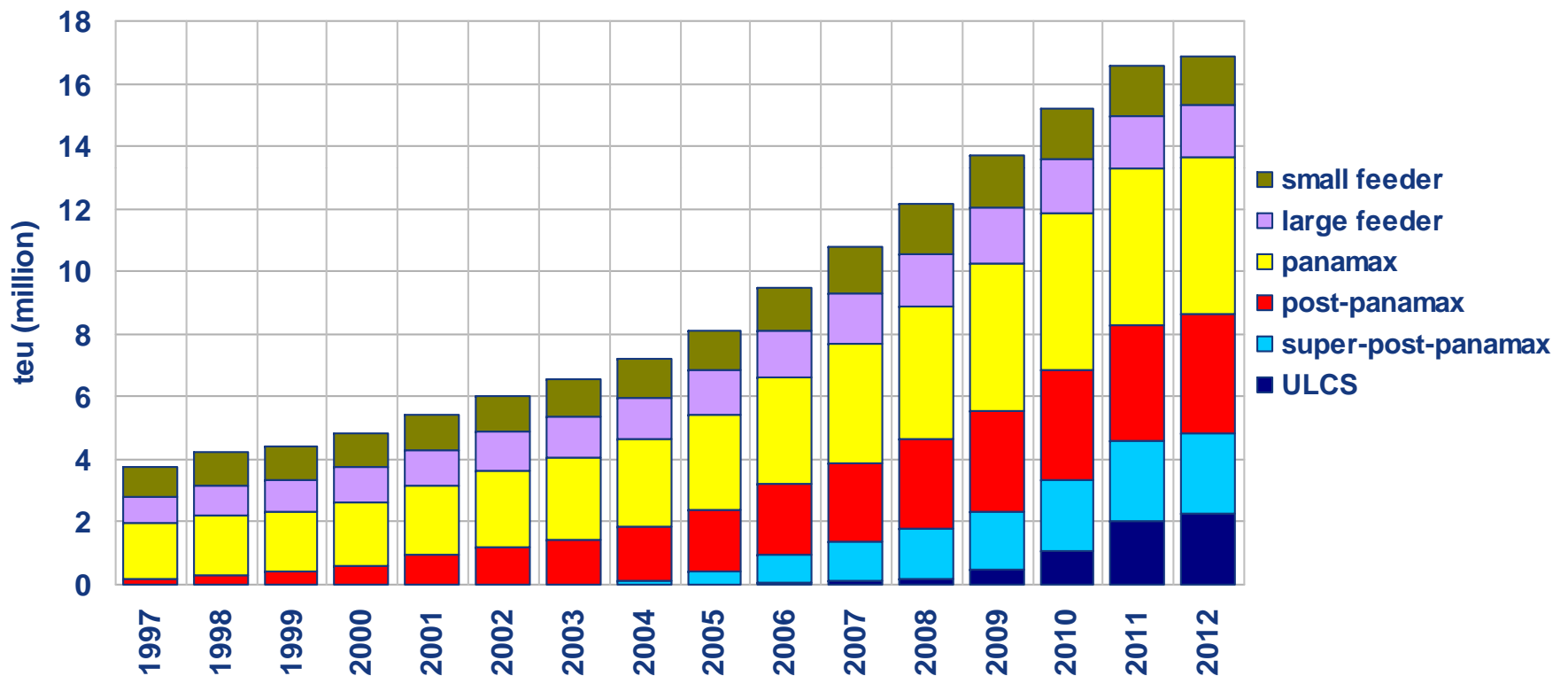
Containership Age Profile



Containership Fleet Changes



Containership Fleet Development

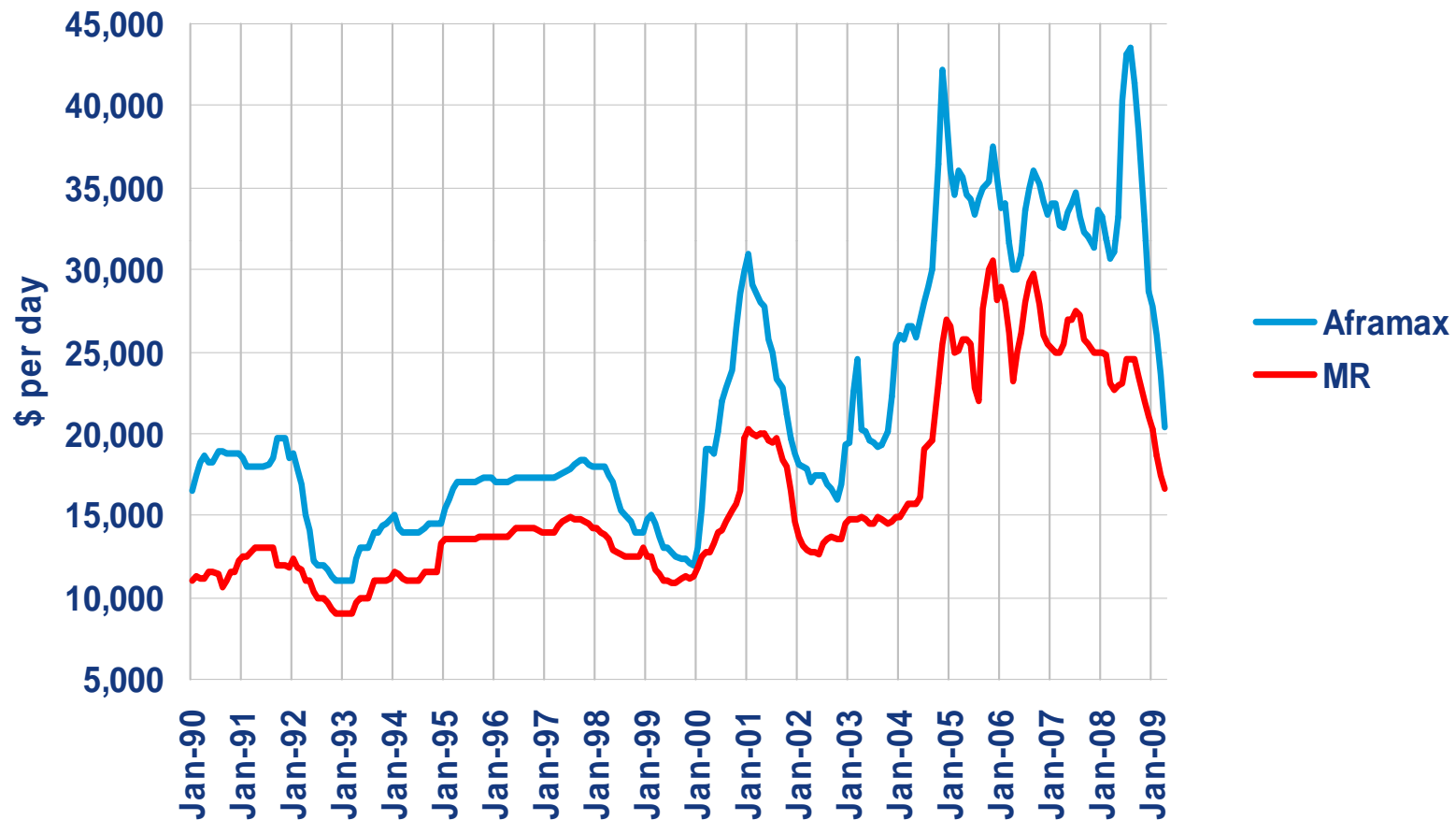




Markets

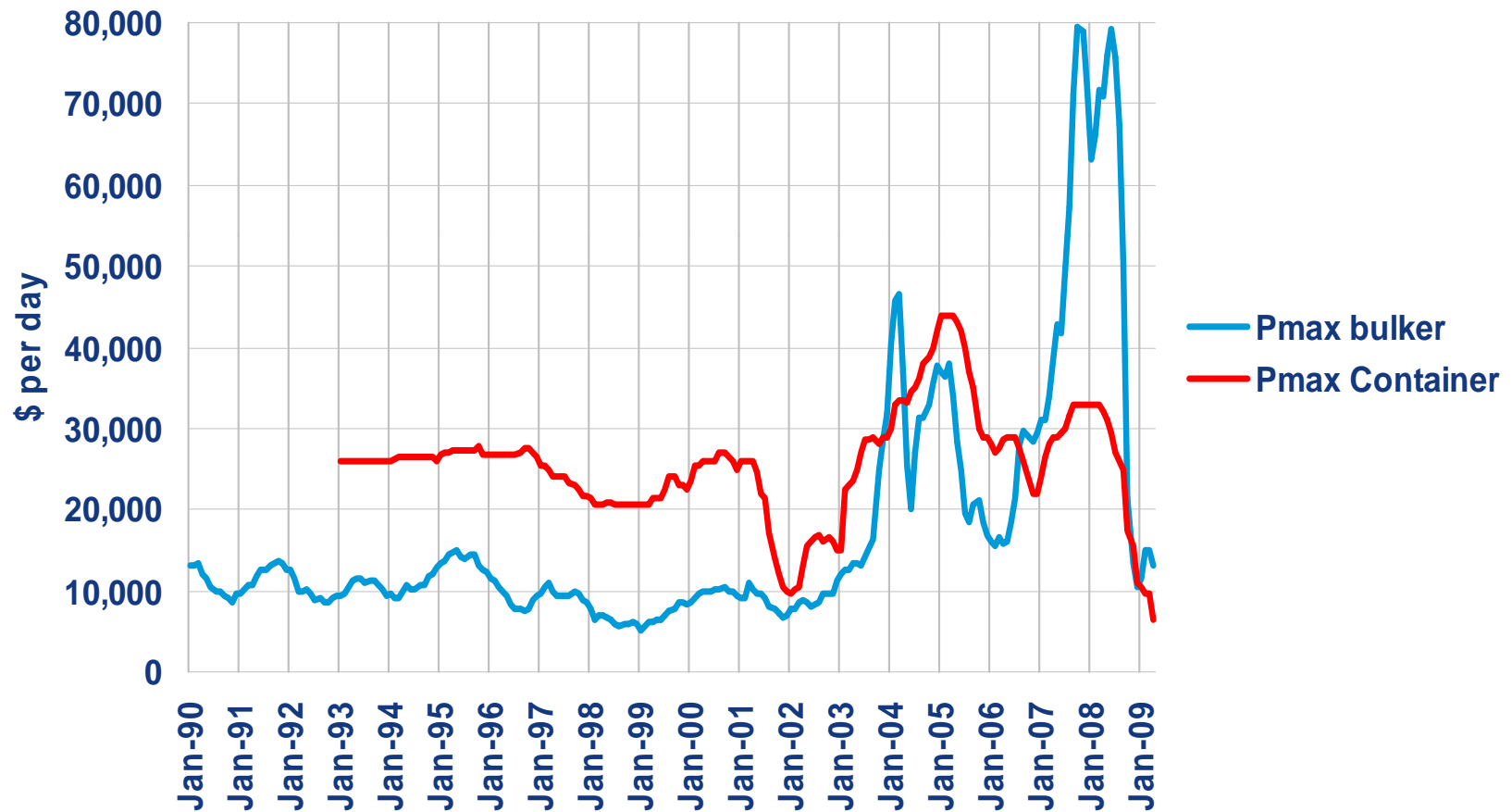


Crude & Product 1 yr tc rates





Dry bulk & Container 1yr tc rates





EBITDA levels per sector (in \$ per day)

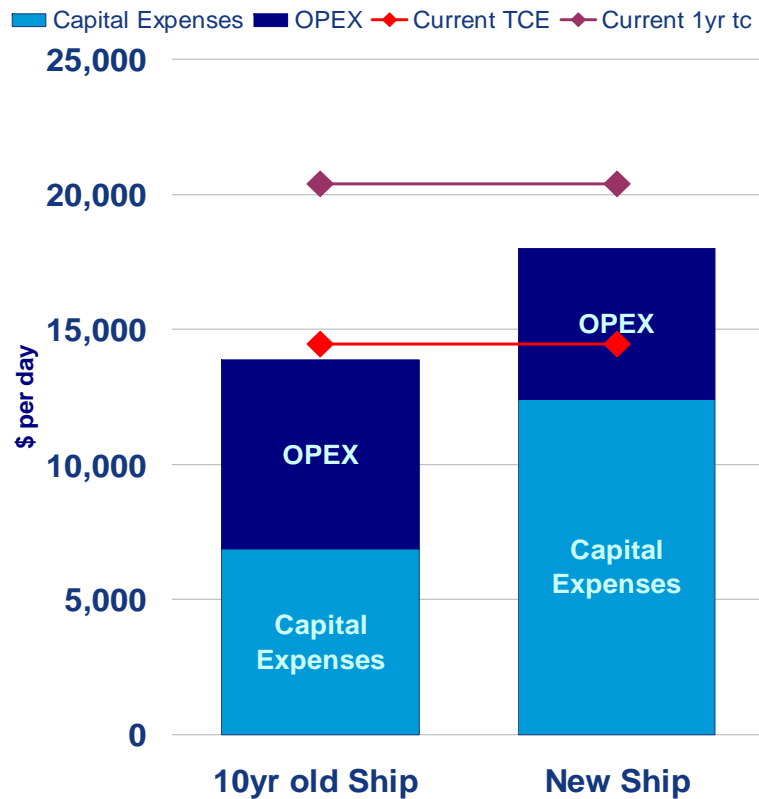
	Aframax	MR	Pmax bulker	Pmax Container
Avg. 2006	31,290	20,387	17,832	19,404
Avg. 2007	25,343	20,845	48,552	21,889
Avg. 2008	40,751	18,017	40,998	18,793
Av. 2009	13,044	6,727	5,528	2,081
Now (as Apr.09)	7,442	35	6,319	934

EBITDA = Earnings Before Interest, Tax, Depreciation & Amortization

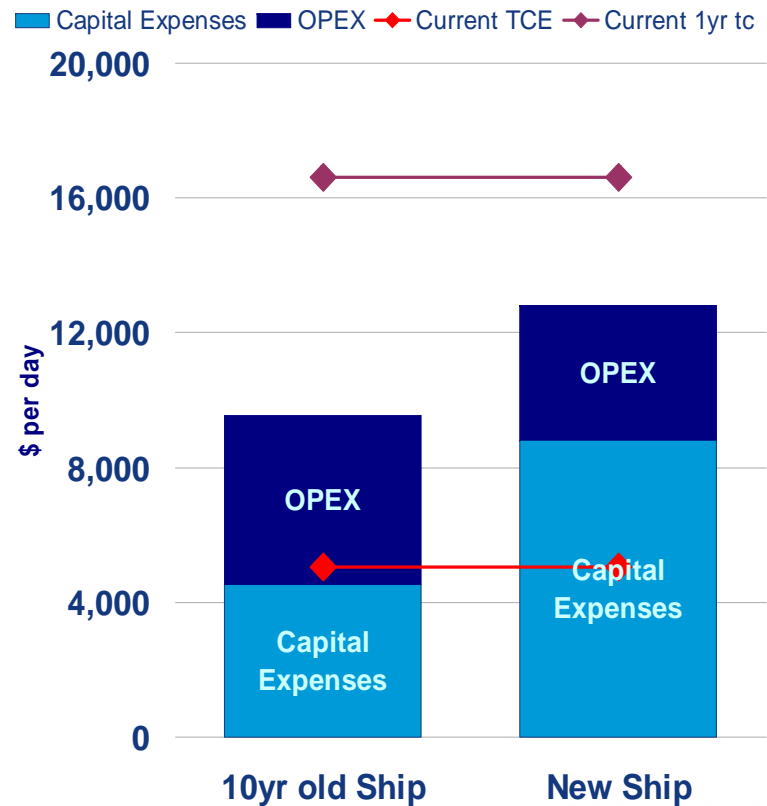


Daily Costs & Earnings - Tanker

Aframax Tanker



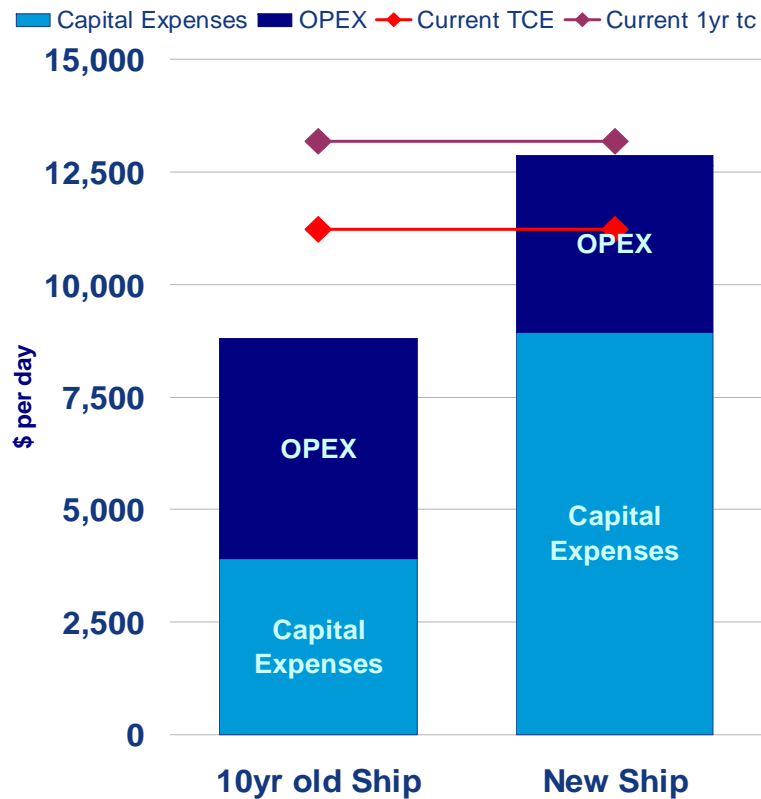
MR product tanker



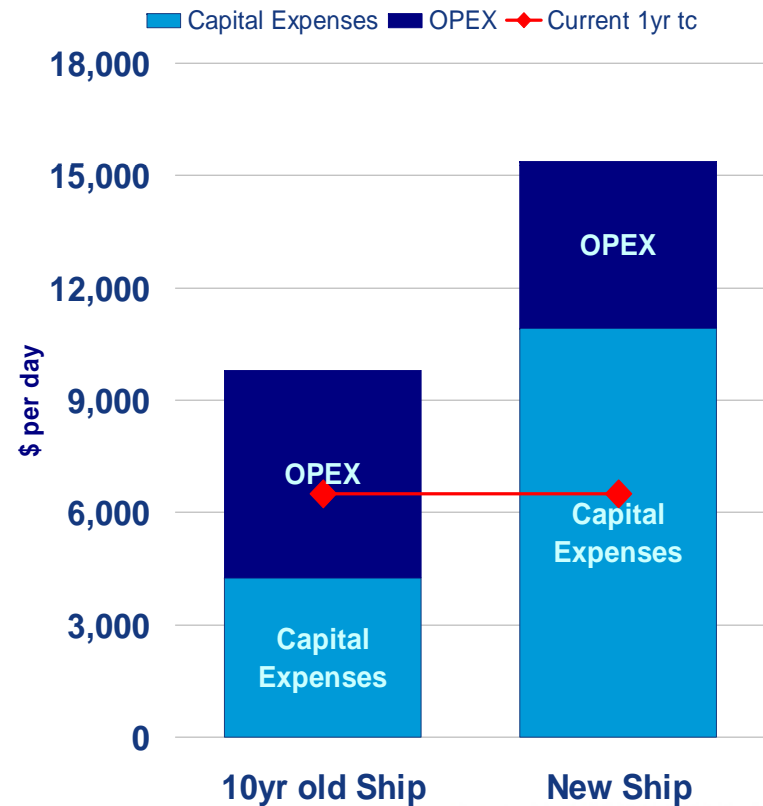


Daily Costs & Earnings – Dry/Container

Panamax bulk carrier



Panamax containership



Summary & Conclusions

- Uncertain economic outlook
 - 3.8% adjustment to 2009 outlook in 7 months
- Oil demand closely linked to GDP but energy efficiency and alternative energy impacting
- Seaborne crude trade already fallen by 7.4% in Q1 2009 (y-o-y)
- Seaborne dry bulk trade forecast to fall by 8.4% in 2009
- Container trade forecast to fall by 5.5%
- OECD forecast of 13% drop in world trade 2009 seems PESSIMISTIC
- Shipyard ordering boom over but massive orderbook overhang remains
- Massive fleet capacity growth in the next three years
 - Tanker 30%, bulk 42% and container 37%
- Earnings (1yr TC) substantially reduced since last summer
 - Product tanker 30%, crude tanker 55%, dry bulk 80% and container 75%
- Earnings for all modern vessels currently below cost
- WARNING! – New regulations impose more cost on shipping...WHO PAYS?
(MR Product tanker minimum \$2,500 extra per day)



Thank you